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RAILWAY

WHOPPING ₹2.4 LAKH CR CAPITAL OUTLAY

Budget 2023-24 proposes ₹2.4 lakh crore as capital outlay towards infrastructure investment for Indian Railways. This is the highest ever allocation and nine times more than what was given in 2013

TAXATION

NO NEED TO PAY TAX FOR INCOME UP TO ₹7 LAKH

Personal income tax rebate limit raised to ₹7 lakh under the new tax regime, from ₹5 lakh earlier, and the tax slabs have been cut to five from seven. Surcharge on income above ₹5 cr cut from 37% to 25%

CAPEX

₹10 LAKH CR FOR INFRA DEVELOPMENT

Capital expenditure for infra development up 33% to ₹10 lakh cr, which is 3.3% of the GDP. Govt's continued focus on infrastructure development will enable economic growth as well as create more jobs

DEBT BURDEN

CENTRE TO BORROW RECORD ₹15.4 LAKH CR

The government plans to borrow a record ₹15.4 lakh crore from dated securities in FY24 to meet its expenditure requirement to prop up the economy. This is 34% of the total budgeted income in FY24

SOUMYADIP SINHA

PM AWAS

66% MORE FOR URBAN HOUSING

The outlay for PM Awas Yojana has been raised by 66% to ₹79,000 crore, while that of MGNREGA has been cut to ₹60,000 crore from ₹89,400 crore in FY23

PLEASE-ALL BUDGET THAT STAYS THE COURSE

UNION BUDGET 2023-24 **DECODED**

ANALYSIS

Income tax relief timed with polls

SUNITHA NATTI

IF there's luck in the last helping, it arrived in good measure on Wednesday. Finance Minister Nirmala Sitharaman emerged as the ultimate accounting bar mitzvah, making the government's last full Budget before general elections, a Budget for the bourgeois.

If modern dictionaries define bourgeois as the middle class, the old world Marxism reserved it for capitalists. Slice it whichever way you want, Sitharaman unabashedly catered to both the classes, and the poor. Importantly, it supports India's aspirations of a middle-income economy, and so for Sitharaman and team, this Budget is as much about winning 2024 as marching beyond towards India@100.

Until now, the middle-class' wait for tax breaks was like the world's search for Vitamin-D and sunshine. That search ended with the FM announcing an unexpected tax bonanza, foregoing ₹35,000 crore revenue. This isn't a significant sum, and could have been offered earlier. But, generosity comes blazing during elections and as they say, nearer the bone, sweeter the meat.

Of the ₹45 lakh crore expenditure Budget for FY24, the actual increase is only ₹3.16 lakh crore. Of this, revenue expenditure jump of all 84 ministries is just ₹43,000 crore, as if coming from the Treasury's coin purse.

Among the priority list, capital expenditure is number one, two and three. Whatever is in the rest of the list is far behind. Capex saw wheelbarrows of currency notes totalling ₹10 lakh crore, which perhaps Sitharaman hopes will have an electrifying effect like the *Kantara* cry (Voooooooooo) that echoes long after the movie watching. The allocation will help withstand global headwinds should the world step on the next banana skin and slip into a slowdown, if not a recession.

Gross tax revenue growth is pegged at 10.4%, not the cheeriest at all. But of late, the gap between Budget estimates and actuals are as far apart as grandmothers' teeth. Under promising and over delivery is a good strategy, but that doesn't apply to national accounting, whose credibility lies on FM's fiscal marksmanship.

As for fiscal deficit, markets get anxious just by rattling the sword in its sheath, so the FM set herself a fantastic chase in her hands anchoring deficit at 5.9% for FY24. The biggest setback was privatisation. The government remains wedded to the idea, but like married couples, they are taking some time apart.

Delivering one fantastic Budget is much; two many; three impossible. But not for Sitharaman. If Budget 2021 redefined her role as FM, the latest one takes it further. Balancing income, expenditure and debt is as challenging as aligning one's mind, body and soul. More so, during crises. With plenty of practice, she has showed the world how prudence can be the biggest weapon.

DIPAK MONDAL @ New Delhi

AT first look, Budget 2023-24 may appear populist. But on closer examination, it turns out not to be the case. The smart packaging by Union finance minister Nirmala Sitharaman and her team at the North Block has made it look populist but remain firmly on the path of fiscal consolidation. The ₹45-lakh crore Budget has steered clear of too many freebies and unnecessary expenditures, and yet made an allocation here and there to please all sections.

The Budget turns out to be an exercise on expenditure and tax rationalisation. The government has tightened its belt on the fiscal front with the fiscal deficit target for FY24 brought down to 5.9%, a 50 basis-point reduction from FY23.

While the overall expenditure in FY24 has seen a 7.5% rise over the revised estimate for FY23, bulk of the increase is due to a sharp uptick in capital expenditure or capex — spending for infrastructure and asset creation. The capex spending in 2023-24 has been increased by 33% to ₹10 lakh crore from ₹7.3 lakh crore (revised estimate) in FY23. Capital expenditure has almost trebled since 2019-20.

"This substantial increase in recent years is central to the government's efforts to enhance growth potential and job creation, crowd-in private investments, and provide a cushion against global headwinds," Sitharaman said in her Budget speech.

Revenue expenditure — administrative expenses used for paying salaries, pensions and subsidies — has seen only a modest 1.25% increase over the revised estimate for FY23. The fertiliser and food subsidy bill is budgeted at a lower level in FY24 than the revised estimate of FY23. Among other major cuts in allocation is for MNREGA, where the amount for the next financial year is kept at ₹60,000 crore, down from ₹90,000 crore (revised estimate) for FY23.

"A higher non-interest and non-subsidy revenue expenditure would provide the much-needed support to the economy recovery," said India Ratings in a note.

Income tax payers – especially the salaried class – have something to cheer, but all the benefits are reserved for the new tax regime, which was not gaining traction.

Notably, the upper limit for income tax rebate has been increased from ₹5 lakh to ₹7 lakh for those who opt for the new tax regime. Also, the surcharge on income above ₹5 crore has been reduced from 37% to 25%, bringing down the highest personal income tax rate from 42.7% to 39%. The basic exemption limit has also been raised from ₹2.5 lakh to ₹3 lakh.

While the government has extended some tax benefits, it has also tried plugging the loopholes used by tax evaders. One of the moves includes removing tax exemptions on withdrawal from all insurance schemes if annual premium is above ₹5 lakh crore.

The Budget pegs the nominal GDP to grow at 10.5% to ₹302 lakh crore in FY24, slightly lower than what the Economic Survey report had estimated (11.1%). The government has pegged the gross tax revenue to grow at 9.5% to ₹33.6 lakh crore over the revised FY23 estimate of ₹30 lakh crore. It means, the new financial year might not be able to drive revenue growth like FY23.

Nirmala's Ilkal saree was crafted in Dharwad

AMIT S UPADHYE @ Hubballi

KARNATAKA can take pride in the General Budget presented by Union Finance Minister Nirmala Sitharaman on Wednesday for at least two reasons. The minister is a Rajya Sabha member from Karnataka and the saree she chose to wear while presenting the Budget was made in the state.

The handwoven Ilkal silk saree, which is 5.5 metres long and weighs about 900 gm, was made by experts using *kasuti* (embroidery) art in Dharwad.

Aarati Hiremath, founder of Aarati Crafts in Dharwad, said the special saree was woven in 10 days. The order was placed by the local office of the ministry of textiles. The saree carries designs of chariots, gopuras, peacocks and lotus.

Aarati said she was only told that the saree is required for the office of the finance minister. "I was thinking it could be for gifting it to someone. But ever since we saw Nirmalaji in that saree while presenting the Budget, my phone has not stopped ringing. The ministry had placed the order for the saree beforehand, giving us enough time to work on the it. The bill too was cleared by the ministry before the product was ready," she said.

Rukaiya Bandunavar, the artist who worked on the saree, says it's a huge honour for her and many co-artisans. "We carefully weaved the designs on the saree. It takes time to craft each design and complete the saree," she explained. "This gesture of the minister will surely encourage rural woman workers," said Aarati.

COMPARING NEW & OLD TAX REGIMES

Gross annual income	700,000	1,000,000	2,000,000	3,500,000	5,500,000
INDIVIDUAL (up to 60 years)					
Taxable income as per current concessional tax regime	700,000	1,000,000	2,000,000	3,500,000	5,500,000
Taxable income as per proposed concessional tax regime (after standard deduction)	650,000	950,000	1,950,000	3,450,000	5,450,000
Taxable income as per old regime (after considering various deductions)	547,600	587,600	1,557,600	2,952,600	5,197,600
INCOME TAX PAYABLE					
As per current Concessional tax regime	33,800	78,000	351,000	819,000	1,587,300
As per proposed Concessional tax regime	---	54,600	296,400	764,400	1,527,240
As per old tax regime	22,901	31,221	290,971	726,211	1,569,316

Source: Ernst & Young

- Encashment of earned leave up to 10 months of average salary, at the time of retirement in case of non-govt employee to increase from existing ₹3 lakh to ₹25 lakh
- Income received from insurance policies, issued on or after April 1, 2023 (other than unit linked policies), having premium or aggregate of premium exceeding ₹5 lakh in a year, will be taxable (except in the case of death)
- New common I-T return form for tax payers coming. Grievance redressal mechanism to be further strengthened
- Micro enterprises with turnover up to ₹2 crore and certain professionals with turnover of up to ₹50 lakh can avail the benefit of presumptive taxation

Our government that always stood with the middle class has given huge tax relief to them

Narendra Modi, Prime Minister

•••••

Budget has no vision to create jobs, no plan to tackle inflation, no intent to stem inequality. One per cent richest own 40% of wealth

Rahul Gandhi, Congress

•••••

This Budget is not futuristic, totally opportunistic, anti-people and anti-poor. It will benefit only one class of people... will not help address unemployment issue

Mamata Banerjee, TMC

₹5,300 cr for K'taka's Upper Bhadra Project

ASHWINI M SRIPAD @ Bengaluru

CHIEF Minister Basavaraj Bommai welcomed the allocation of Rs 5,300 crore for the Upper Bhadra Project in the Union Budget 2023-24 presented by Union Finance Minister Nirmala Sitharaman on Wednesday. "This is the first national project among several irrigation projects of the state," Bommai said.

The Upper Bhadra Project aims to provide irrigation facilities and drinking water supply to drought-prone districts of the state like Chitradurga, Davanagere, Tumakuru and parts of Chikkamagaluru. Bommai said the project aims at irrigating over one lakh hectares of land in drought-hit and dry land of central Karnataka. It will also provide drinking water to a lot of people.

₹1,350 cr announced for B'luru Suburban Rail plan

A total of ₹1,350 crore has been announced in the Union budget for the 148-km Bengaluru Suburban Rail Project (BSRP) with the Railways set to exclusively give ₹450 crore and the remaining to be mobilised through other sources. |PZ

₹35,000 cr for net-zero carbon emission target

RAKESH KUMAR @ New Delhi

ONE of the major highlights of Budget 2023-24 was the focus on green energy. Reiterating India's commitment to meet the target of achieving net-zero carbon emission by 2070, Union finance minister Nirmala Sitharaman allocated ₹10,222 crore for the renewable energy sector and ₹35,000 crore to the Ministry of Petroleum & Natural Gas for energy storage projects.

The Budget has earmarked ₹297 crore for the National Green Hydrogen Mission. The FM said the government would facilitate transition of the economy to low-carbon intensity, reduce dependence on fossil fuel imports and make the country assume technology and market leadership in this sunrise sector.

She said the country targets to produce 5 mmt green hydrogen by 2030. The Cabinet had in January 2023 approved ₹19,700 crore for the National Green Hydrogen Mission. "We are implementing many programmes for green fuel, green energy, green farming, green mobility, green buildings, green equipment, and policies for efficient use of energy across various economic sectors. These green growth efforts help in reducing carbon intensity of the economy and provide for large-scale green job opportunities," she added.

The government's efforts since 2014 have ensured for all citizens a better quality of living and a life of dignity. The per capita income has more than doubled to ₹1.97 lakh

Nirmala Sitharaman, Finance Minister

The government plans to construct an inter-state transmission system for evacuation and grid integration of 13 GW energy in Ladakh with an investment of ₹20,700 crore, including Central support of ₹8,300 crore.

It will also support battery energy storage systems with a total capacity of 4,000 MWh through viability gap funding.

The finance minister said that the Centre will take forward the vehicle scrapping policy mentioned in Budget 2021-22 by allocating adequate funds to scrap old vehicles of the central government. States will also be supported in replacing old vehicles and ambulances, Sitharaman added.

INSIDE PROVING JOHN KENNETH GALBRAITH WRONG | P10 | THE FORCED CAPEX GAMBLE IN BUDGET | P10 | INSURANCE SECTOR DISAPPOINTED | P15 | GOOD NEWS FOR SENIOR CITIZENS | P15 | CUT IN FLAGSHIP FARM SCHEMES | P14 | TAX ON OVERSEAS TOUR PACKAGES GOES UP BY STEEP 20% | P14

STOCKS HAMMERED, ADANI CALLS OFF FPO

ARSHAD KHAN @ New Delhi

ADANI Enterprises (AEL) late on Wednesday night announced its decision not to go-ahead with its fully subscribed follow-on public offer (FPO) for ₹20,000 crore, a day after it barely managed to sail through.

The Adani Group's stock prices got hammered earlier in the day with AEL shares closing 28% lower at ₹2,128.70. This was below the FPO price band of ₹3,112-3,276 per share.

Gautam Adani, chairman, Adani Enterprises, said, "Today the market has been unprecedented, and our stock price has fluctuated over the course of the day. Given these extraordinary circumstances, the Company's board felt that going ahead with the issue will not be morally correct." He added that the process to refund the funds received for subscription has been initiated.

The group's stocks crashed up to 35% amidst reports that the Credit Suisse Group has assigned a zero-lending value for notes sold by Adani Ports and Special Economic Zone, Adani Green Energy and Adani Electricity Mumbai Ltd.

With this fresh fall, the port-to-power conglomerate's market capitalisation (m-cap) has fallen by ₹7.44 lakh crore in five consecutive trading sessions, translating to a loss of one-third of its total value.

The combined m-cap of the Adani Group stocks now stands at ₹11.76 lakh crore, down from ₹19.20 lakh crore, which was the closing value on January 24.

With this, Adani lost his Asia's richest billionaire title to Mukesh Ambani, chairman of Reliance Industries Ltd.

DAY'S SINKHOLE

Adani Enterprises	↓ 28.45%
Adani Ports and SEZ	↓ 19.69%
Adani Total Gas	↓ 10%
Adani Green Energy	↓ 5.78%
Adani Wilmar	↓ 4.99%
Adani Power	↓ 4.98%
Adani Transmission	↓ 2.46%
Ambuja Cements	↓ 16.56%
ACC	↓ 6.34%
NDTV	↓ 4.98%

IMPRESSION BENGALURU

Concrete mixer topples on car killing mum, daughter

BENGALURU: A 47-year-old software engineer, Gayathri Kumar, and her 15-year-old daughter, Samatha, were killed after the car in which they were travelling was crushed under a ready-mix concrete truck. The incident occurred at Dabyalamaradadoddi on the Bannerghatta-Kaggalipura Road on Wednesday morning. The driver of the truck is yet to be arrested, while police have identified the owner of the vehicle.